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It may be somewhat gratuitous to comment on what Mr. Kerry Thornley has said on what he considers to be his understanding of economics in only a half hour show, but he has said enough I think plus his explicit endorsement of Ludwig von Mises and Murray Rothbard to give evidence of the fact that his mind is hazy on the subject of value to say the least. In his treatment of value Marx assumed it to be an explicit quality of economic goods measured by what he called the socially necessary amount of labor required to produce them or embodied in them. With this conception product may be said to sell above or below its value—which is ridiculous. There must be an exchange before value can be ascertained. Moreover, values may rise or fall for various reasons.

Marx's view, Mr. Thornley calls an objective theory of value, which he denies on the ground that value is a subjective estimate. I would be inclined to agree with Mr. Thornley insofar as criticism of Marx is concerned, yet his statement is *only a half-truth*. Value of anything is what you can get for it in exchange. Before this exchange can be consummated there must exist a complex estimate indulged in by both parties, about each of the articles being exchanged. There must be at least two subjective estimates made, and there must be an agreement before an exchange will be made, after which their respective values may be ascertained, that is, before value can exist in fact. The point is that value is a social concept, not merely an individual evaluation.

Moreover, the more producers and sellers and buyers come into play, competition between buyers and sellers tend to formulate a more generally determined agreement as to what the exchange power of any economic good may be. This exchange power is usually expressed in some agreed-upon value unit. As we consider this it should become quite obvious that neither Thornley nor Marx have offered any *adequate* explanation of the process of value formation.

We may agree with Mr. Thornley that value is a psychological estimate, which depends on the feelings or desires of individual humans. What Mr. Thornley *fails* to note is that *anyone's estimate depends upon circumstances*. A man who is thirsty might not give anything for a drink of water if he stood on the bank of a stream, the water of which was free for all. If, on the other hand, one man claimed ownership of the stream and if the state stood ready to enforce his claims, and if judging the predicament of a prospective buyer, he demanded one day's work from the thirsty man for a drink of water, he may be able to get it. Since a drink of water means life or death to a thirsty man, the *conditions* under which he makes his evaluation have an *exceedingly* important bearing on how he values a glass of water. And yet, according to Thornley, since both men are using subjective judgment in their respective

evaluation, such an exchange would, to him, presumably be a fair one since both men agreed to it.

If this would be in accordance with what Mr. Thornley believes is laissez-faire it is rather surprising since Mr. Thornley *considers* himself an 'anarchist' and free trader. The fallacy into which Mr. Thornley has fallen arises of the fact that he has *completely* overlooked the basic circumstances in which production and exchange were and are carried on. The fundamental inequity arose out of making property (or privileged exclusion) out of something no man made, namely natural resources or land; not even mentioning the secondary and sometimes more important privilege which denies to producers the opportunity to issue their own money or credit instruments. It is as if some men were hobbled in a race while Mr. Thornley would say all men in the race are free to run. According to the Thornley, Rothbard, Mises criteria any exchange is equitable if the terms have been presumably agreed upon by both parties. In saying that no one was forced to exchange while failing to investigate or analyze the circumstances which caused both parties to make their so-called subjective estimates necessary to consummate an exchange they have *evaded* the very problem in question, which is a *handy* and *safe* way of *not* coming to grips with the economic injustices of the Establishment.

When roughly 80% of the world's resources are now owned by 1 or 2% of the populations of the earth, and producers are being mulcted by monopolized financial institutions there is no freedom of finance. Do any of these worthies say anything about that? And doesn't this evasion designate them as downright frauds as far as being exponents of freedom is concerned?